

## Message Text

LIMITED OFFICIAL USE POSS DUPE

PAGE 01 LONDON 04413 081628Z

62

ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ISO-00 DODE-00 COME-00 INT-08

GSA-02 AF-10 ARA-16 NEA-10 RSC-01 L-03 CIAE-00 INR-10

NSAE-00 PA-04 USIA-15 PRS-01 SP-03 DRC-01 /132 W

----- 003201

R 081618Z APR 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 9421

INFO AMEMBASSY KUALA LUMPUR

LIMITED OFFICIAL USE LONDON 04413

E.O. 11652: N/A

TAGS: EMIN, ETRD

SUBJECT: TIN: COUNCIL MAKES NO DECISION ON RISE IN  
PRICE RANGES

SUMMARY. THE ITC, AFTER AN UNPRECEDENTED FIVE-DAY MEETING, DID NOT RPT NOT AGREE TO ANY INCREASE IN INTERNATIONAL TIN AGREEMENT PRICE RANGES. PRODUCERS, LED BY MALAYSIA, HAD SOUGHT IMMEDIATE INCREASE IN FLOOR PRICE OF INTERNATIONAL TIN AGREEMENT FROM PRESENT LEVEL OF 635 MALAYSIAN DOLLARS PER PICUL TO 900 MALAYSIAN DOLLARS, WITH POSSIBLE FURTHER PRICE RISE AFTER ITC COMPLETED STUDY OF COSTS OF PRODUCTION. CONSUMERS RESISTED THIS PROPOSAL STRONGLY AND ASKED FOR TIME CONSULT THEIR GOVERNMENTS. END SUMMARY

2. ITC RECESSED ITS 13TH SESSION ON APRIL 6 AFTER FIVE-DAY SESSION FAILED REACH AGREEMENT ON PRODUCER-SPONSORED PROPOSAL FOR A LARGE AND IMMEDIATE INCREASE IN FLOOR PRICE OF ITA. MALAYSIA SPEARHEADED EFFORT BY PRODUCERS FOR OVER 40 PERCENT INCREASE IN AGREEMENT FLOOR PRICE. MALAYSIAN ARGUMENT REPORTEDLY WAS THAT DESPITE PRESENT HIGH LEVEL OF PRICES, NO REAL INCENTIVE EXISTS FOR EXPANSION OF TIN PRODUCTION. TIN MINERS,  
LIMITED OFFICIAL USE  
LIMITED OFFICIAL USE

PAGE 02 LONDON 04413 081628Z

ARGUMENT GOES, UNWILLING RISK CAPITAL TO EXPAND PRODUCTION UNLESS AGREEMENT FLOOR PRICE IMMEDIATELY

RAISED TO PROVIDE THEM WITH SUBSTANTIALLY HIGHER  
GUARANTEED RETURN.

3. CONSUMER ARGUMENT REPORTEDLY WAS THAT NO REVISION  
PRICE RANGES POSSIBLE UNTIL ITC COMPLETES STUDY OF  
COSTS OF PRODUCTION OF TIN WHICH CURRENTLY UNDERWAY IN  
ITC WORKING GROUP. EVEN AFTER STUDY COMPLETED,  
CONSUMERS WILL PROBABLY INSIST ON VERY CAREFUL EXAMINA-  
TION OF DATA PRODUCED BY WORKING GROUP IN ORDER TO  
ASSURE THAT CONSUMERS NOT SUBSIDIZING INEFFICIENT AND  
AND MARGINAL PRODUCTION.

4. CONSUMER SOURCES TELL US ITC DEBATE WAS PROTRACTED  
AND HEATED. EVENTUALLY FACE-SAVING COMPROMISE WAS  
AGREED UNDER WHICH COUNCIL SESSION WAS RECESSED, NOT  
ADJOURNED, ON PRETEXT OF ALLOWING CONSUMER DELEGATIONS  
TIME TO CONSULT WITH THEIR GOVERNMENTS. WE TOLD,  
HOWEVER, THAT MOST CONSUMER GOVERNMENTS, WHILE NOT  
OPPOSED TO SOME UPWARD REVISION OF PRICE RANGES ON  
GROUNDS OF INCREASED COST, STRONGLY OPPOSED TO INCREASE  
OF MAGNITUDE PROPOSED BY MALAYSIA.

BRAND

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TIN, MEETINGS, TRADE AGREEMENTS, AMENDMENTS, PRICES, MEETING DELEGATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 APR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974LONDON04413  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740080-0116  
**From:** LONDON  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740459/aaaacbrj.tel  
**Line Count:** 84  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 19 JUL 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <19-Jul-2001 by worrelsw>; APPROVED <01 AUG 2002 by morefirh>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TIN: COUNCIL MAKES NO DECISION ON RISE IN PRICE RANGES  
**TAGS:** EMIN, ETRD, MY, ITC  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005